

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF NORTH CAROLINA  
STATESVILLE DIVISION

UNITED STATES OF AMERICA	)	
	)	
v.	)	DOCKET NOs. <b>5:21CR37-4,</b>
	)	<b>5:21CR74</b>
GAGE ANDREW WARD	)	
	)	<b>FACTUAL BASIS</b>
	)	

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NOW COMES the United States of America, by and through William T. Stetzer, Acting United States Attorney for the Western District of North Carolina, and hereby files this Factual Basis in support of the plea.

This Factual Basis does not attempt to set forth all of the facts known to the United States at this time. This Factual Basis is not a statement of the defendant, and, at this time, the defendant may not have provided information to the United States about the offenses to which the defendant is pleading guilty, or the defendant's relevant conduct, if any.

By their signatures below, the parties expressly agree that there is a factual basis for the guilty plea(s) that the defendant will tender. The parties also agree that this Factual Basis may, but need not, be used by the United States Probation Office and the Court in determining the applicable advisory guideline range under the *United States Sentencing Guidelines* or the appropriate sentence under 18 U.S.C. § 3553(a). The defendant agrees not to object to any fact set forth below being used by the Court or the United States Probation Office to determine the applicable advisory guideline range or the appropriate sentence under 18 U.S.C. § 3553(a) unless the defendant's right to object to such particular fact is explicitly reserved below. The parties' agreement does not preclude either party from hereafter presenting the Court with additional facts which do not contradict facts to which the parties have agreed not to object and which are relevant to the Court's guideline computations, to 18 U.S.C. § 3553 factors, or to the Court's overall sentencing decision.

*Background*

1. Beginning on a date unknown and continuing until at least on or about December 31, 2020, in Caldwell, and Catawba Counties, within the Western District of North Carolina, and elsewhere, the defendants, PHYLLIS ANN GARCIA, BRANDY LEIGH LEDFORD, DANIELLE KATHLEEN SMITH, and GAGE ANDREW WARD, conspired with each other, and with others known and unknown, to commit the offense of bank fraud, as proscribed by Title 18, United States Code, Section 1344(2), and to commit various other federal offenses.

2. To accomplish their objective, GARCIA, LEDFORD, SMITH, and WARD, and others, stole checks, Postal Service money orders, and other personal identifying information from acquaintances and community members. In some instances, GARCIA, LEDFORD, SMITH, and WARD and their co-conspirators stole such information in the form of the U.S. mail from mailboxes.

3. Then, GARCIA, LEDFORD, SMITH, and WARD and others used the stolen personal identifying information to defraud banks and other financial institutions. For example, they stole checks from their victims' mailboxes and then forged the victims' signatures, or otherwise fraudulently altered the checks, and then cashed or deposited the checks for themselves. GARCIA, LEDFORD, SMITH, and WARD would often split up the stolen checks and other financial instruments stolen from mailboxes and then make attempts to further exploit the stolen items for their own financial gain, sometimes splitting the proceeds amongst each other.

#### *Object of the Conspiracy*

4. As set forth above, the object of the conspiracy was to use stolen mail, checks, stolen Postal Service money orders, and personal identifying information to defraud banks and other financial institutions into providing funds on deposit to GARCIA, LEDFORD, SMITH, and WARD, and others, in violation of Title 18, United States Code, Section 1344(2).

#### *Manner and Means*

5. The first step in the scheme was that GARCIA, LEDFORD, SMITH, and WARD, and others would steal checks, Postal Service money orders, financial documents, and other personal identifying information from acquaintances and community members, so that they could use the stolen checks and personal identifying information to defraud banks and other financial institutions.

6. GARCIA, LEDFORD, SMITH, and WARD and their co-conspirators accomplished this first step in various ways. In some instances, they would steal such documents from mailboxes. In other instances, they would steal such documents from parked vehicles, or from the homes of friends or family members.

7. Another step in the scheme was that GARCIA, LEDFORD, SMITH, and WARD, and their co-conspirators, would use the checks and other information that they stole from their victims to make out checks to themselves and attempt to deposit or cash the checks at financial institutions. GARCIA and WARD also cashed stolen Postal Service money orders which they had falsely altered.

8. GARCIA, LEDFORD, SMITH, and WARD engaged in numerous acts in furtherance of the conspiracy and other offenses. For example:

- a. On numerous occasions, GARCIA, LEDFORD, SMITH, and WARD, working together, drove around their area stealing U.S. mail from mailboxes. They

sometimes referred to this activity as “mailboxing.” SMITH would often serve as the driver because she had a valid driver’s license.

- b. For example, on or about May 18, 2020, GARCIA, LEDFORD, SMITH, and WARD, working together, stole mail from victim D.W.’s mailbox, located in Hickory, North Carolina, in Catawba County. The stolen mail included a set of checks for D.W.’s bank account at First Horizon Bank.
- c. Thereafter, on or about May 18, 2020, WARD visited the Wood Forest National Bank, in Hickory, North Carolina, in Catawba County, where he deposited a forged check made out to himself and drawn from victim D.W.’s First Horizon bank account in the amount of \$199.
- d. Also, on or about May 18, 2020, WARD attempted to cash or deposit two other forged checks drawn on D.W.’s account and made out to himself in the amounts of \$199 and \$800.
- e. Later, on or about June 3, 2020, WARD attempted to cash or deposit another forged check drawn on D.W.’s account made out to himself in the amount of \$3,500.
- f. On or about July 14, 2020, GARCIA, LEDFORD, and WARD working together, stole mail from victim K.W.’s mailbox, located in Hickory, North Carolina, in Catawba County. The stolen mail included postal money orders totaling \$8,708.
- g. Thereafter, on or about July 14, 2020, WARD cashed one of K.W.’s altered stolen postal money orders in the amount of \$1,000 at the U.S. Post Office in Hickory, North Carolina, in Catawba County.
- h. On or about July 15, 2020, at the Bank of America, GARCIA deposited four of K.W.’s altered stolen postal money orders, totaling \$4,000.
- i. Also, on or about July 17, 2020, GARCIA cashed one of K.W.’s altered stolen postal money orders in the amount of \$107 at the U.S. Post Office in Hickory, North Carolina, in Catawba County.
- j. Also, on or about July 20, 2020, GARCIA cashed one of K.W.’s altered stolen postal money orders in the amount of \$1,000 at the U.S. Post Office in Hickory, North Carolina, in Catawba County.
- k. On or about July 29, 2020, at the United Bank in Hickory, North Carolina, in Catawba County, WARD cashed a stolen and forged check made out to himself drawn from victim H.H.’s United Bank account in the amount of \$62.05.
- l. SMITH collected personally identifying information on a victim with initials

K.S. SMITH opened a Paypal debit card in victim K.S.'s name but she was not able to draw any funds from the account. The Paypal debit card was in SMITH's possession.

- m. On numerous occasions, GARCIA, LEDFORD, SMITH, and WARD would go online to NC DMV and attempt to purchase duplicate licenses. They would use this information to try to access and check people's credit histories. If they found a high credit score, they would attempt to open credit cards or bank accounts. They would use stolen credit cards to book motels for themselves.
- n. SMITH forged her name onto the backs of multiple stolen checks and attempted to mobile deposit these checks into her Wells Fargo account. SMITH was successful in depositing a \$90 stolen check into her INGO online bank account that she set up.
- o. SMITH used stolen bank account information, account and routing numbers, and stolen PII, to set up a new bank account. SMITH linked this new account to a Wells Fargo account that she had access to. SMITH was able to transfer stolen money to this Wells Fargo account.
- p. SMITH also used this stolen bank account information, routing and account numbers, to pay her utility bills at her residence. She paid bills from Duke Power, Piedmont Natural Gas, Verizon, and others.
- q. SMITH used stolen PII to set up Amazon accounts. SMITH used stolen bank account information to fund purchases from these Amazon accounts.
- r. GARCIA knowingly possessed, and used, a means of identification of Victim J.M. in order to fraudulently obtain and activate a Visa credit card that was later recovered from a hiding spot where GARCIA had cached it.
- s. LEDFORD and others stole the US Postal Mail of Victim J.S. LEDFORD then used a means of identification of J.S. to fraudulently open a bank account at Simple Bank in the name of J.S. and to apply for credit cards in the name of J.S. using the PII of J.S.
- t. LEDFORD fraudulently deposited a check that had been stolen from the US Postal of J.S. LEDFORD and others stole cash from at least two pieces of mail that had been mailed by J.S.
- u. WARD and others stole the outgoing U.S. Postal Mail from a fuel delivery company in Longview, NC. WARD fraudulently deposited a stolen check from this business into his personal account at Peoples Bank.
- v. GARCIA stole a U.S. Treasury Stimulus check from the mailbox of Victim J.B. GARCIA attempted to deposit this check into her Bank of America account in

Hickory, NC.

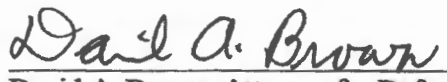
- w. SMITH and others stole the U.S. Postal Mail of Victim H.B. SMITH created a Square account to give herself the ability to process credit card transactions. SMITH activated an American Express credit card stolen from H.B. and then used her Square account to process a charge to the credit card.
- x. WARD stole checks from a mailbox belonging to a business with initials K.H.M.I. Then, in Caldwell County, on or about September 30, 2021, WARD cashed one of the stolen checks, payable in the amount of \$117.11, by falsely representing himself to be the payee of the stolen check, drawn on funds from Wells Fargo Bank, a federally insured financial institution. WARD thereby obtained \$117.17.
- y. In total, law enforcement documented that GARCIA successfully passed 9 checks and attempted to pass 6 more.
- z. In total, law enforcement documented that WARD successfully passed 11 checks and attempted to pass 7 more.
- aa. In total, law enforcement documented that LEDFORD successfully passed 1 check and attempted to pass 7 more.

WILLIAM T. STETZER  
ACTING UNITED STATES ATTORNEY

  
DAVID A. THORNELOE  
ASSISTANT UNITED STATES ATTORNEY

Defendant's Counsel's Signature and Acknowledgment

I have read this Factual Basis, the Bill of Indictment, the Bill of Information, and the plea agreement in this case, and have discussed them with the defendant. Based on those discussions, I am satisfied that the defendant understands the Factual Basis, the Bill of Indictment, the Bill of Information, and the Plea Agreement. I hereby certify that the defendant does not dispute this Factual Basis with the exception of those facts to which I have specifically reserved the right to object, and understands that it may be used for the purposes stated above.

  
David A. Brown, Attorney for Defendant

DATED: 11/9/2021